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UNDP COOPERATION FRAMEWORK WITH INDONESIA

Note by the Administrator

I. PURPOSE AND BACKGROUND

1. The present document is prepared in accordance with Governing Council decision 92/28, in which the Council decided that the note by the Administrator on individual country programmes would be prepared only when necessary.

2. The completion of the fourth country programme of Indonesia (1991-1994) in December 1994 necessitated the formulation of an immediate follow-up programme for Indonesia. Although the document covering proposed future programming uses a format similar to that of former country programmes, it attempts to use some of the concepts shared with the Executive Board in document DP/1995/3 as a basis for recent discussions concerning the next programming period. These include the use of a programming perspective linked to the national planning period; the designation of UNDP cooperation framework instead of country programme; a resources projection for the duration of the framework; and the assignment of resources from the UNDP core programme resources for a three-year period.

II. COOPERATION FRAMEWORK

3. In preparing for a new programme, and after carefully reviewing a number of possible options, it was agreed with the Government of Indonesia that for substantive programming purposes, a five-year strategic framework (1995-1999) be developed to identify the key goals and entry points for UNDP support within the

context of Indonesia's sixth Five-Year Development Plan (REPELITA VI 1994-1999). This period coincides with the national planning horizon and achieves harmonization with the programming period adopted by other United Nations organizations, as called for by the General Assembly in its resolution 47/199.

4. For financial planning purposes and as a result of uncertainty about UNDP future resources, a target for core programme resources for three years (1995-1997) is proposed in the current framework. In this respect, the Executive Board may wish to take note that resources for the first two years (1995-1996) of the initial three-year period have already been assigned to Indonesia in the form of the indicative planning figures (IPF) (adjusted) for the current cycle, and those projected for the third year (1997) are extrapolated at one fifth of the adjusted IPF of the current cycle. It is envisaged that upon the establishment by the Board of a programming framework for the next programming period, the financial planning for the three-year period will be reviewed and re-established in accordance with the decision of the Board. The programming resources targets for 1998 and 1999 will be reviewed and updated based on estimates of contributions to UNDP in general and of other resources likely available to the framework in particular, at the time of the annual reviews. Although the financial summary of the framework reflects only resources expected to be available from UNDP core resources, it is obvious that the total resources required for the implementation of the cooperation framework will be significantly larger. As such, the annual reviews will serve as a useful instrument for resource mobilization and coordination.

5. It is also envisaged that the annual reviews will be undertaken in conjunction with the periodic review by the local Inter-Agency Coordination Committee of implementation and progress of the country strategy note (CSN) and programmes of other United Nations development assistance agencies, with a view to enhancing their coherence, maintaining their relevance to evolving national priorities, adjusting their emphasis in light of the results of Indonesia's annual Consultative Group meetings, and maximizing their impact on Indonesia's economic and social development. This process will also provide a good opportunity for UNDP and the Government to assess the preliminary impact and effectiveness of the framework and its continued relevance. From a substantive and strategic standpoint, the framework will encourage closer cooperation with the United Nations system agencies, as well as other development cooperation partners.

6. The formulation of the UNDP cooperation framework with Indonesia (1995-1999) evolved from extensive consultations between UNDP and the Government of Indonesia, and among sectoral departments of the Government, other Joint Consultative Group on Policy (JCGP) partners, international financing institutions, bilateral donors, as well as international and national non-governmental organizations (NGOs). The most significant steps in the process included: (a) the annual reviews, particularly the joint mid-term review of the fourth country programme, carried out between June and September 1993 and brought before the Executive Board at its special session in February 1994; (b) the concurrent drafting of the CSN; (c) the preparation of a national environmental overview; and (d) the preparation of three concept papers on equitable development and poverty reduction, environment protection and regeneration, and human resources development. These exercises examined the

main issues and priorities, assessed external cooperation requirements, and recommended areas of focus for UNDP in the next programming period, taking into account the comparative strengths and experiences of UNDP.

7. The cooperation framework with Indonesia adopts sustainable human development (SHD) as a unifying theme, draws on the development priorities of REPELITA VI, and dovetails with the CSN. The framework was designed to concentrate on two priority areas of SHD: (a) equitable development and poverty reduction and (b) environmental protection and regeneration. These two themes and the modalities for their implementation reflect the successes and lessons of the fourth country programme. A holistic approach will be followed with emphasis on capacity-building through human resources development, empowerment and advancement of women, employment promotion, and creation of an enabling environment for NGOs and civil society participation in development process, all of which are highly relevant to Indonesia's needs as well as to the mandates of UNDP.

8. The Administrator wishes to emphasize that the assumptions on resources and the terminology used in preparing the proposed cooperation framework with Indonesia are interim and, therefore, should not be construed as a precedent for all other future frameworks. UNDP will finalize its programming procedures and nomenclature after due consideration of the conclusions and decisions of the present consultations and debate in the Executive Board on the next programming period. Given the pilot nature of this framework and subject to the Board's decision on future programming, the Administrator intends to submit a report on the experience and implementation of the UNDP cooperation framework with Indonesia to the Board at its sessions in late 1996 or early 1997.

III. EXECUTIVE BOARD ACTION

9. The Administrator recommends that the Executive Board

Approve the cooperation framework with Indonesia for the period 1995-1999.